

The Cincinnati Post
Copyright 2001

Monday, October 8, 2001

BUSINESS

Liggett set to launch sale of new cigarette with few carcinogens
Associated Press

Production of a cigarette that its maker says has fewer cancer-causing ingredients began last week as Durham-based Vector Tobacco geared up for sales expected to start in retail stores later this month.

Vector Tobacco says its new Omni cigarette brand is made with a chemical treatment that reduces certain cancer-causing elements in cigarette smoke. A second product, Omni Free, will come out next year using that treatment plus a new type of tobacco genetically engineered to contain virtually no nicotine.

Vector Tobacco, owned by Miami-based Vector Group Ltd., is a sister company to the Liggett Group Inc., the smallest of the major tobacco companies. Liggett, based in Mebane, was the first cigarette-maker to break industry ranks and settle lawsuits brought by state attorneys general.

Overall, the company is investing about \$100 million in what it calls its "less hazardous" smoking products.

Despite the technological advances, cancer-causing chemicals would still be present in the new cigarettes, Vector Group's chairman and chief executive officer admitted earlier this year. "While there is no such thing as a safe cigarette, we believe we've eliminated what the health community considers to be the most serious cancer causing agents with these developments," Bennett LeBow said.

Whether the investment will pay off remains to be seen, but judging from the fact that Vector Group's stock has climbed about 200 percent this year, some investors think there are big things ahead.

"The stock has captured the imagination of some investors," said Joel Luton, the director of research at APS Financial Corp. The key question is whether smokers buy the cigarette, he said.